

**BLANK**

**PAGE**

**FILE COPY**

Office - Supreme Court, U. S.

FILED

JUL 20 1937

CHARLES ELMORE GROPLEY  
CLERK

IN THE

**Supreme Court of the United States**

OCTOBER TERM, 1936.

—  
No.  72  
—

CROWN CORK & SEAL COMPANY, INC., *Petitioner,*

v.

FERDINAND GUTMANN CO., INC., *Respondent.*

**REPLY BRIEF FOR PETITIONER.**

—  
THOMAS G. HAIGHT,  
GEORGE F. SCULL,  
JOHN J. DARBY,  
GEORGE W. PORTER,  
*Counsel for Petitioner.*

**BLANK**

**PAGE**

## TABLE OF CONTENTS.

	Page
REPLY BRIEF FOR PETITIONER.....	1
I. The Decision of the Court of Appeals Holding Invalid the Warth Divisional Patent 1,967,195 Does Change the Established Practice With Respect to Divisional Applications, (Resp. Br. p. 12) .....	2
II. The District Court Found That There Were No Adverse Intervening Rights and the Finding Was Not Disturbed by the Court of Appeals Although Respondent Urged that it Was Error	4
III. The District Court's Finding of No Intervening Rights is Clearly Supported by the Record..	6
IV. Respondent's Assertion that Petitioner Had Knowledge of Intervening Rights is Contradicted by the Record and the Undisturbed Finding of the District Court .....	8
V. The Subject-Matter of the Divisional Patent No. 1,967,195 Was Not Dedicated to the Public or Abandoned (Resp. Br. p. 12) .....	9
VI. The Petition Raises No Question of Fact as to the Parent Warth Patent Reissue 19,117.....	11

## TABLE OF CASES CITED.

	Page
<i>Adamson v. Gilliland</i> , 242 U. S. 350, 353.....	5
<i>Chapman v. Wintroath</i> , 252 U. S. 126 .....	3, 11
<i>Cramer v. United States</i> , 261 U. S. 219, 226.....	6*
<i>Dwight and Lloyd v. Greenawalt</i> , 27 Fed. (2d) 823, 831 (C: C. A. 2nd) .....	3
<i>Mason v. United States</i> , 260 U. S. 545, 556.....	6*
<i>Mraz</i> , 36 App. D. C. 435 .....	12
<i>United States v. United Shoe Machinery Co.</i> , 247 U. S. 32, 37, 41 .....	6*
<i>Wirebounds Patent Co. et al. v. Saranac</i> , 37 Fed. (2d) 830 .....	7

## PUBLICATION CITED.

Hearings Senate Bill S. 475 .....	2
-----------------------------------	---

\*Footnote.

IN THE  
**Supreme Court of the United States**

OCTOBER TERM, 1936.

---

No. 1008.

---

CROWN CORK & SEAL COMPANY, INC., *Petitioner,*

v.

FERDINAND GUTMANN CO., INC., *Respondent.*

---

**REPLY BRIEF FOR PETITIONER.**

---

We would not reply to respondent's brief except for the fact that it attempts to answer the petition by statements which are directly contrary to the record and the undisturbed fact findings of the District Court.

Respondent seeks to mislead this court to conclude that the questions submitted by the petition involve issues of fact. But that is not the case, since *every alleged issue of fact raised by respondent as to the questions of the petition has been expressly decided against respondent by the District Court, whose findings were not disturbed by the Court of Appeals.*

## I.

**The Decision of the Court of Appeals Holding Invalid the Warth Divisional Patent 1,967,195 Does Change the Established Practice With Respect to Divisional Applications (Resp. Br. p. 12).**

Respondent's contention that the Court of Appeals' decision does not change the established treatment of divisional applications is extremely misleading. We repeat the statement (Pet. p. 5) that it does. A complete answer to respondent's contrary contention is to be found in the testimony of the Commissioner of Patents before the Senate Committee on Patents on June 24, 1937.\* The Commissioner stated with reference to the case at bar:

"Recently there has been presented to the Supreme Court a petition for a writ of certiorari to review the decision of the Circuit Court of Appeals of the Second Circuit in the case of *Crown Cork and Seal Company, Incorporated, v. Ferdinand Gutmann* (86 F. (2d) 698), predicated upon a conflict of decisions in the different circuits as to the proper interpretation to be given to the decision of the Supreme Court of the United States in *Webster Electric Company v. Splitdorf Electric Company* (264 U. S. 463). In that later decision the Supreme Court had discussed the effect of delay under certain circumstances in filing a divisional application and as to the validity in view of such delay of a patent granted on such divisional applications.

If the Supreme Court should grant the writ and affirm the decision of the Circuit Court of Appeals of the Second Circuit, it may well be that a number of patents granted by this office would be invalid. *If the writ is refused, the rights of an inventor in a divisional application will, for an indefinite period, remain uncertain, and the Patent Office will not know how to proceed in such applications.*"\*\*

\*With respect to Senate Bill S. 475, providing for a single Court of Patent Appeals. A printed copy of the testimony has been filed with the Clerk; the above quoted statement appears at p. 119.

\*\*Emphasis ours throughout.

Moreover, respondent's contention is based on the assumption that the Patent Office violated its own rules and practice in allowing the Warth divisional patent. Obviously it did not, since the divisional patent was issued after an interference in which the divisional patent application was deliberately given the benefit of the 1927 filing date of the parent patent (R., p. 864) as well as the benefit of the filing date of the 1930 divisional application. From that 1930 application the later 1933 application resulting in the divisional patent was carved. Warth might have amended the 1930 application instead of filing the 1933 division, but that he did not is immaterial, since the division was no more than an amendment of the 1930 application.

"It is now settled law \* \* \* that a divisional application is no more than an amendment of the parent application." *Dwight and Lloyd v. Greenawalt*, 27 Fed. (2d) 823, 831 (C. C. A. 2nd).

Respondent contends that Warth's 1933 application should not have been accorded by the Patent Office the filing date of his 1930 application, containing a disclosure of the invention of the divisional patent, because the 1930 application contained no *claims* to the divisional patent method. But this contention completely overlooks the fact that the 1930 Warth application, filed before the parent patent issued, was in every respect the legal equivalent of the parent application considered by this Court in *Chapman v. Winthroath*, 252 U. S. 126. In the Chapman case the parent application disclosed the invention in controversy, but did not claim it. A division was filed six years after the filing of the parent case claiming the invention and the division was accorded the filing date of the parent case. That is exactly what the Patent Office has done for over fifty years and did in the case at bar. The Patent Office simply accorded Warth's 1933 application the benefit of the filing date of the co-pending 1930 application which disclosed, but did not claim, the invention in issue and also the benefit of



the parent patent filing date (1927); since with the latter the 1930 case was co-pending.

The case of *Fessenden v. Wilson*, 48 Fed. (2d) 422 cited by respondent (Br., p. 18) obviously is not in point. Fessenden filed no application disclosing the subject-matter before his alleged parent patent issued. Hence, the Court held that when the patent issued, there was "nothing left pending before the Patent Office upon which it could act or to which the latter application could attach." In other words, there was no continuity of disclosure pending before the Patent Office. Here, Warth did file his 1930 application, to which the 1933 application attached, before his parent patent issued.

## II.

**The District Court Found that There Were No Adverse Intervening Rights and the Finding Was Not Disturbed by the Court of Appeals Although Respondent Urged that it Was Error.**

Respondent agrees with the interpretation of *Webster v. Splitdorf* by the Circuit Court of Appeals for the First and Sixth Circuits, since it states (Br., p. 20) that unless the Circuit Court of Appeals for the Second Circuit found as a fact that there were intervening rights, "it would not have reversed the District Court and applied the doctrine of *Webster v. Splitdorf*." Respondent then argues that, although the Court of Appeals referred to no intervening rights, the record shows facts which establish such intervening rights by respondent and others.

The Court should not be misled by this attempt to raise issues of fact already decided in favor of petitioner. *Every argument advanced by respondent in support of its contention that the record shows intervening rights was expressly considered and rejected in the opinion of the District Court, whose findings were not disturbed by the Court of Appeals.* Yet, as pointed out in the petition (footnote p. 3), respon-

dent urged before the Court of Appeals that these findings were error.

Respondent contends (Br. p. 20) that machines purchased by it in September, 1928, December, 1928, March, 1929, and April, 1929, had the preheating\* method of the divisional patent; these machines are covered by respondent's Exhibit Q (R., pp. 1102-1103). In rejecting this contention the District Court said (R., 2100):

**"\* \* \* the defendant has not proved any use of the preheating method, to anticipate the filing date of the first divisional application, November 7, 1930, or the filing date of the second divisional application, April 4, 1933."**

This finding of the District Court was not disturbed by the Court of Appeals, which based its holding of invalidity *solely* upon (1) the issuance of the Johnson patent less than a year before the divisional application was filed and (2) the issuance of the Warth parent patent which contained no description of the preheating method. This was done notwithstanding respondent's argument that the finding quoted above was in error.

This court has repeatedly held that questions decided by a master or a trial court on conflicting evidence and involving the credibility of witnesses will not be reviewed if there is a basis, as here, for such findings. Respondent is attempting to anticipate by prior use the filing date of the Warth divisional patent, although the District Court has held that it did not establish prior use or adverse intervening rights. Consequently, respondent's contention is completely answered by the ruling of this Court in *Adamson v. Gilliland*, 242 U. S. 350, 353:

**"Considering that a patent has been granted to the plaintiff the case is preeminently one for the applica-**

\*"Preheating" is used in the decisions below and by both parties to distinguish the divisional (1,967,195) patent from the parent patent (Reissue 19,117).

tion of the practical rule that so far as the finding of the master or judge who saw the witnesses 'depends upon conflicting testimony, or upon the credibility of witnesses, or so far as there is any testimony consistent with the finding, it must be treated as unassailable' (citing) *Davis v. Schwartz*, 155 U. S. 631, 636."\*

Obviously the Court of Appeals would have reversed the finding of the District Court that there were no intervening rights had it regarded that finding in error, as contended by respondent. That the Court of Appeals deliberately refrained from disturbing the finding of the District Court is clear not only from the fact that the issue of intervening rights was argued and briefed on appeal, but also from the fact that the precise questions raised by the petition were presented by petition for rehearing which was denied.

### III.

#### **The District Court's Finding of No Intervening Rights is Clearly Supported by the Record.**

Respondent admits (Br., p. 20) that two machines which it purchased in July and August, 1928, did *not* have the "preheating" invention of the divisional patent. The District Court so found (R. 2099, 2100). Respondent's Vice President testified that the spotting mechanism in the machines (Exhibit Q) purchased later in 1928 and in 1929 "*was the same as on the previous machine*" (R., 289, Q. 93). Yet the "previous machine" is the August, 1928, machine which respondent admits and the District Court found did not have the preheating invention of the divisional patent. Respondent's witness Johnson so testified (R., 238, 239). Consequently, according to defendant's own testimony,

---

\*The cases are uniform to the effect that this court accepts a finding by a trial court or a master made from contrary evidence involving the credibility of witnesses where the finding has not been disturbed by the Appellate Court. See: *United States v. United Shoe Machinery Co.*, 247 U. S. 32, 37, 41; *Mason v. United States*, 260 U. S. 545, 556; *Cramer v. United States*, 261 U. S. 219, 226.

these September and December, 1928 and the 1929 machines did not have the divisional patent invention since they are conceded to have been like the earlier 1928 machines which did not.

It is preposterous, therefore, in the face of these direct admissions by respondent's own witnesses, for respondent now to assert that the record shows what the District Court held it does not show, and what the Court of Appeals refused to find in the face of respondent's contentions that the finding of the District Court should be reversed. Obviously, such an unfounded assertion is no adequate answer to the petition.

Respondent also refers (Br., pp. 23, 24) to certain machines which petitioner had Johnson build on special order for petitioner's Canadian plant. It is difficult to see how manufacture for petitioner and use by the latter can create an adverse intervening right against petitioner's divisional patent. The District Court held that it did not, saying (R., 2099):

"The fact that Johnson, in 1929, built some machines for the plaintiff on special order for plaintiff's own use, does not affect the validity of the Warth patents, and does not anticipate a divisional application. (Citing) *American Chain Co. v. Franklin New York Co.*, 34 Fed. (2d) 551-555."

This finding was not disturbed by the Court of Appeals and was in accord with the ruling of the Circuit Court of Appeals for the Sixth Circuit in *Wirebounds Patent Co. et al. v. Saranac*,\* 37 Fed. (2d) 830 (Petition p. 23), that

---

\*The ruling of the Court of Appeals for the Sixth Circuit on the method patent discussed in this decision was not reversed by the Supreme Court as suggested by respondent (Br. p. 29). On the contrary the patent again came before the Court of Appeals which stated that the Supreme Court had not passed thereon and (65 F. (2d) 905) that *Webster v. Splitdorf* applies only when there is delay of more than two years after issuance of a patent to another and when the claims presented are broader than those originally sought in the parent application.

use by a patentee does not invalidate a divisional patent, since it is not an adverse use.

Finally respondent refers (Br., p. 22) to certain papers in the Patent Office records as indicating sale by Johnson of some sixteen apparatus and respondent asserts that these apparatus embodied the divisional patent invention. This assertion also is contradicted by the undisturbed finding of the District Court which said (R., p. 2100):

“There is no evidence to show that the Johnson machines sold to others than plaintiff and identified on the list had a preheater \* \* \*.”

#### IV.

#### **Respondent's Assertion that Petitioner Had Knowledge of Intervening Rights is Contradicted by the Record and the Undisturbed Finding of the District Court.**

The unsupported assertion (Resp. Br., p. 22) that petitioner had knowledge of prior use of the divisional patent invention is contradicted not only by the undisputed testimony of petitioner's Vice-President (R., pp. 683; 685; 689) that petitioner had no such knowledge prior to filing the divisional patent application, but also by the finding of the District Court (R., p. 2101):

“As soon as it came to Warth's attention that any one else was claiming the invention he, *being unaware of what methods others were using, and having no knowledge of defendant's using the preheating method,* proceeded as the statutes permitted, and in accordance with the practice recognized by the Patent Office and the courts. *Overland Co. v. Packard Co.*, 274 U. S. 417.

In making the claims to the preheating step Warth was covering what he had invented, without any intent to expand his disclosures to cover later methods which had come to his attention. This has been approved by the courts. *Carson v. American Smelting and Refining Co.*, 4 Fed. (2d) 463, 470; *Remington Cash Register Co. v. National Cash Register Co.*, 6 Fed. (2d) 614; *Overland Co. v. Packard Co.*, *supra*.”

Clearly, therefore, there is no showing of intervening rights or any issue of fact with respect thereto, since the District Court expressly found to the contrary and its findings were not disturbed by the Court of Appeals, although respondent urged they were error.

## V.

**The Subject-Matter of the Divisional Patent No. 1,967,195 Was Not Dedicated to the Public or Abandoned (Resp. Br. p. 12).**

Respondent contends that because the specific reference to the creation of heat by preheating the cork was cancelled from the specification of the parent patent the method was abandoned. The District Court rejected this contention also, saying (R., 2095):

*"It is true as contended by the defendant, the description of preheating which was originally contained in this application was cancelled by amendment, on December 3, 1930, but it is also true that at the time this description of the 'preheating' procedure was cancelled, Warth had on file a divisional application, Serial No. 494,201 which had been filed on November 7, 1930, prior to the date of cancellation of the descriptive matter from the parent case. From this divisional application, a second division Serial No. 664,410, was filed on April 4, 1933, containing precisely the three claims in suit and the patent issued, after an interference on this application. Therefore, Warth had in the Patent Office a complete disclosure of this preheating, from January 7, 1927, when the parent application was filed, until April 4, 1933, when the application resulting in Warth Patent No. 1,967,195 in suit was filed. The subject matter was not abandoned, as suggested by defendant, but was specifically reserved by continuous inclusion in the divisional application, and later in the second division. This has been approved and is the usual practice. *Writer v. Kiwad*, 63 Fed. (2d) 259."*

The above finding was not modified by the Court of Appeals. Moreover, the respondent's argument for abandon-



ment overlooks the fact stated in the appendix to the brief accompanying the petition (p. 32), that when the specific reference to creating heat by preheating the cork was cancelled, there was substituted the *broad*er expression which includes preheating, namely, that the invention is "*to utilize at the time of assembly both heat and pressure to unite the spot to the cork.*" (R., p. 714, 1. 47.) It is not denied that the District Court correctly held (R., 2081) that "the sole purpose of preheating the cork \* \* \* is to create heat which will be available at the instant the spot is deposited," *i. e.*, at the time of assembly. Certainly, the substitution of the broader statement (use of heat) for the specific (use of heat obtained by preheating the cork) which is included within the broad, should not be interpreted as an intent to abandon the specific.

It is evident, therefore, that the patentee adopted the only procedure possible in order to avoid any inference of abandonment, namely, (1) he cancelled the subject-matter so that it would not appear in the issued patent as an unclaimed part of its disclosure, (2) he substituted a *broad*er statement when he cancelled the specific explanation of the way heat should be produced, and (3) he embodied the preheating description in a divisional application filed before the cancellation of the disclosure from the parent application:

Respondent contends (Br., p. 15) that the divisional patent application filed in 1933 is not entitled to either the filing date (November, 1930) of the application filed before the parent patent issued or to the 1927 filing date of the parent patent, notwithstanding the fact that the disclosures of the three applications were identical.

Respondent's first reason (Br., p. 15) is that, when the parent patent issued, its file showed that the description of preheating had been cancelled. But this contention overlooks the fact that before cancellation of the specific disclosure the same had been embodied in the divisional application filed in November, 1930. This is the only way an

applicant can reserve matter cancelled from a pending application.

Respondent's second argument for abandonment is that the 1933 divisional application should not be given the filing date of the 1930 application, and, therefore, cannot attach through the latter to the 1927 case. This argument is based upon the statement that the 1930 application did not *claim* a method but merely the strip material used in the method. The contention completely overlooks the express ruling of this Court in *Chapman v. Wintroath* that it is immaterial whether the invention of a divisional application be *claimed* in a parent application. Moreover, although the 1930 application contained only a disclosure and not a claim to the method, the specification states at the outset (R., 1949):

"This invention relates to a method of producing closures of the type in which a sealing disc has a facing.

This application is a division of my copending application, Serial No. 159,743, filed January 7, 1927."

The specification of the 1930 case is a copy of the parent application filed in 1927. It is thus apparent that Warth, instead of abandoning the specific preheating disclosure cancelled from the parent application, expressly reserved the same by embodying the identical description in the 1930 divisional case. The District Court so found and the Court of Appeals did not disturb the finding, although respondent urged error.

## VI.

### **The Petition Raises No Question of Fact as to the Parent Warth Patent Reissue 19,117.**

It is not correct, as alleged by the respondent (Br., p. 12), that the petition asks this Court to review the finding of non-infringement by the Court of Appeals. The reissue patent is involved only collaterally in the second question presented. The petition does not present the issue of in-



fringement. It raises only the question whether, in view of the *apparent* scope of the claims reasonably believed by the petitioner to dominate broadly the more specific invention of the divisional patent, petitioner is entitled to the benefit of such apparent scope as an excuse for the delay in presenting the more specific claims in the divisional patent. Whether the Court of Appeals was right or wrong in reading a limitation into the claims of the reissue, is not raised by the petition. The sole issue in the second question is whether the petitioner showed lack of diligence in failing to anticipate that the limitation would be incorporated in the claim by construction.

Here, we simply emphasize that *respondent has not disputed the facts on which the second question is based, namely:*

1. That the Court of Appeals *did* read into the reissue patent claims a limitation (heated plunger) which was not a part of the originally filed disclosure, and hence could not have been an essential or claimed part of the invention since an applicant cannot claim specifically anything which is not originally described. (*In re Mraz*, 36 App. D. C. 435.)

2. That the parent patent claims on their face are reasonably susceptible to an interpretation dominating the divisional patent subject-matter, as held by the District Court and

3. That petitioner reasonably relied upon the claims as covering broadly the divisional patent subject-matter.

Obviously, therefore, the petition presents no issues of fact or question of infringement involving the parent (re-issue) patent. That patent is involved solely on points of law based on the above undisputed facts, as explained in the petition (pp. 7-9) and in the brief (pp. 26-28).

The decisions cited by respondent on the question of excuse (Resp. Br., p. 29) are not in point, since they relate

solely to the question of "inadvertence, accident or mistake" which must be shown in support of an application for a reissue patent. There were no facts involved in any of the cases cited comparable to those here presented, and, therefore, the decisions do not conflict with the ruling of the Circuit Court of Appeals for the Sixth Circuit in *Wagenhorst v. Hydraulic* (Pet. pp. 8, 26) to the effect that delay in presenting specific claims in a divisional application may be excused by the reasonably apparent broad scope of claims in a parent case, regardless of the finally determined scope of such claims.

Respectfully submitted,

THOMAS G. HAIGHT,

GEORGE F. SCULL,

JOHN J. DARBY,

—GEORGE W. PORTER,

*Counsel for Petitioner.*